
Competitive Strategy Analysis for Digital Products on Kompas Daily

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Abstract. *This study aims to analyze and identify the key success factors in the industry and its competition, analyze and identify competitive advantages of Kompas digital products, and formulate competitive strategies for Kompas digital products. This research is qualitative descriptive, by analyzing the company's external environment using macro-PESTEL environmental analysis, the industry analysis using Five Forces Porter, and the analysis using the key success factors. The value chain analysis and VRIO-competitive advantage analyze the internal environment of the company. The results of this study indicate that the strategy applied by Kompas is a product differentiation strategy because this strategy is considered to be the most appropriate to the conditions of the company. Differentiation strategies are carried out by the companies to get uniqueness towards competitors.*

Keywords: Competitive Strategy, Key Success Factors, Competitive Advantage

Abstrak. Penelitian ini bertujuan untuk menganalisis dan mengidentifikasi faktor-faktor kunci keberhasilan dalam industri dan persaingannya, keunggulan bersaing produk digital Kompas, dan menformulasi strategi bersaing produk digital Kompas. Penelitian ini bersifat deskriptif kualitatif, dengan menganalisis lingkungan eksternal perusahaan menggunakan analisis lingkungan makro PESTEL, analisis industri menggunakan Five Forces Porter, dan analisis faktor kunci sukses perusahaan. Analisis lingkungan internal perusahaan dilakukan dengan analisis rantai nilai dan keunggulan kompetitif VRIO. Hasil penelitian ini menunjukkan bahwa strategi yang diterapkan Kompas adalah strategi diferensiasi produk karena strategi ini dinilai paling sesuai dengan kondisi perusahaan. Strategi diferensiasi dilakukan perusahaan untuk mendapatkan keunikan terhadap pesaing.

Kata kunci: Strategi Bersaing, Faktor Kunci Sukses Perusahaan, Keunggulan Bersaing

Introduction

Mass media competition is getting tighter with the presence of the digital-based media industry. The growth of digital media in Indonesia answers the challenges of an increasingly sophisticated era. Digital media is increasingly popular with the public because of its fast presentation and can be accessed anywhere. Kompas is a printed newspaper format that is transformed into digital or paper forms that can be accessed via electronic media. Kompas continues to innovate in presenting quality journalism through its digital products. Kompas, one of the newspaper publishers, first launched its digital version on July 1, 2009, in

paper format. Then Kompas. id in February 2017 strengthened the printed compass, so they complemented each other.

Newspaper managers must be keen to package the company's strategy so that they can adjust to industrial developments that are very dynamic, adapt to rapidly growing technology, and be able to compete in a competition, One of them is by conducting an internal and external analysis of the company to formulate the right strategy to improve performance and adjust yourself with the growth of the digital media industry. Based on this description, the objectives of this research are:

1. Analyze and identify key industry and competition success factors.
2. Analyze and identify competitive advantages of digital products Kompas.
3. Formulate a competitive strategy for Kompas's digital products.

Literature Review

Strategy Concept

Competition between companies to achieve better performance compared to competitors is a common thing that happens in every activity business carried out by the company. Strategy is a comprehensive concept that can be formulated and applied at various levels in the organization and activities of a company (Pearce & Robinson, 1997). The strategy can be divided into several levels, namely: corporate level strategy (corporate strategy), business level strategy (business strategy), and functional level strategy (functional strategy). The discussion in this study is emphasized in the business-level strategy.

According to (Thompson, Strickland, & Gamble, 2014) strategy management is a managerial process of compiling and implementing a corporate strategy consisting of five interrelated and integrated phases. Generic competitive strategy according to (Porter M. E., 1985) is a corporate strategy approach to outperform competitors in similar industries. Competitive strategies connect companies with their environment.

External Environmental Analysis

(Rothaermel, 2015) analyzed the company's environment in stages, starting from the company's external environment, namely the PESTEL. The PESTEL model groups the factors in the firm's general environment into six segments: Political, Economic, Sociocultural, Technological, Ecological, and Legal analysis. The PESTEL model provides a relatively straightforward way to scan, monitor, and evaluate the important external factors and trends that might impinge upon a firm.

The influence of PESTEL on the company can also be referred to as the macro environment (Thompson, Strickland, & Gamble, 2014) which influences companies in the form of

politics, economics, socio-culture, technology, environment, and law.

Industrial environment analysis uses a five-forces model developed by Porter. According to (Porter M. E., 1980), the Five Forces Model analysis is an analysis of industrial structure carried out by measuring five factors: the threat of new arrivals, the threat of substitute products, the bargaining power of buyers, the strength of supplier bargaining, and competition in the industry. The best technique for describing the market position in industrial competition is the strategic group mapping technique (Thompson, Strickland, & Gamble, 2014).

Internal Environment Analysis

The internal environment consists of dimensions contained within the company, which directly affect operational activities and company performance. The internal environmental analysis aims to identify company strengths and weaknesses based on resources and capabilities companies that can influence the company in achieving a competitive advantage. (Porter M. E., 1985) reveals competitive advantage is a value that can be created by a company for its buyers that exceeds the company's costs in creating a product or service.

The difference between resources and capabilities according to (Grant, 1991) is the resource as the input source of the production process as the basic unit of analysis. Whereas capability is the capacity of a group of resources to carry out several tasks and activities (Rahmawati, 2021).

Value chain analysis is a reflection of activities to design products, market, deliver, and support the products produced. Meanwhile, analysis of VRIO (Value, Rarity, Imitability, and Organization) can be used to compare strengths and weaknesses in the company's internal conditions (Barney, 2002). VRIO framework is a method of analyzing the competitive advantage possessed by a company and whether these advantages can survive long-term or not (Rothaermel, 2015).

Key Success Factor

According to (Thompson, Strickland, & Gamble, 2014), Key success factors are part of the elements of strategy, product attributes,

operational approaches, resources, and competitiveness that separate the difference between strong competitors and weak competitors and between profits and losses. The key success factor of a company is competition affects the ability of company members to survive and earn an advantage over the competition.

Research Methods

This research includes descriptive qualitative research approaches that describe phenomena related to the subject population or estimate the proportion of populations that have certain characteristics.

The data used by researchers in this study are primary and secondary. Primary data was obtained through direct interviews with officials, direct observation, and detailed research reports. Secondary data is obtained indirectly through intermediary media or data obtained and recorded by other parties that have been compiled and published (Cooper & Schindler, 2011).

To achieve the research objectives and obtain the data needed, the authors use observation and interview data collection techniques. Interviews are conducted with Top Management, namely Business Directory, GM Marketing, GM Human Research & General Affairs, Editorial Bureau Editor, and Marketing Communication Manager.

Data analysis method

The author uses several analytical tools in analyzing research data. External environment analysis using a method consisting of (1) General Environmental Analysis using PESTEL tools (Political, Economy, Sociocultural, Technology, Ecology, and Law) analysis, (2) Analysis of Kompas Industrial Environment with the concept of Five Forces analysis, and (3) Identification of The Key Success Factors of the company and what direction should be done to achieve goals, as well as the factors that influence success or failure in achieving goals.

Internal environmental analysis is carried out based on the internal conditions of Kompas to identify the strength of competitiveness possessed by Kompas from resources and

capabilities, value chain analysis, and VRIO analysis.

Analysis Framework

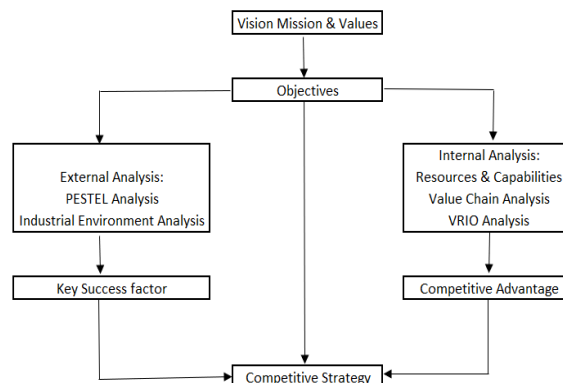


Figure. 1. Analysis Framework

Result and Discussion

Table 1. Macro External Environment Analysis

No	Key Environment Factors	Trend	Implication	
			Industry	Company
1.	Politics Monetary Policy	BI lowered the BI-7DRR from 4.75% to 4.25%	Help stimulate the economy	The purchasing power of the community grows
	Fiscal Policy	Increased income in the community	Increased income, increased consumption	Add product customers
	Politic Condition	Political Conditions Ahead of the 2019 Election	Increased income from advertising spending from political parties	The company has the potential to get revenue from advertising expenditures for political parties
2.	Economy Economy Growth	Increase in the economy in Indonesia	The digital media industry is filled with false news or news that is driven by certain politics	The media can be used as a political tool so that it becomes less independent and neutral
			Increasing the purchasing power of the people has an impact on improving the standard of	The public will look for credible and reliable news

			living of the community and digital consumption	
	Household Consumption	Low household consumption	People's purchasing power decreases	The low household consumption causes people to tend to look for free digital media content
3.	Socio Culture Digital media growth	Changes in the style of the community in obtaining news	Today's society is dominated by millennial generations who like access to news that can be obtained easily and directly through digital media	The existence of digital innovations that are in line with the needs of society has a good impact on the media business
	Social media usage	The use of social media is increasing	The presence of social media that offers speed of information according to the needs of the reader - Short news material is of interest to readers	The company still relies on complete news, so it doesn't fit the current style of the reader
4.	Technology Technological development	Internet connection is getting faster	Technological advances make the industry compete to present interactive news.	Digital media is more creative in presenting interesting interactive content
	Telecommunication network	The cost of internet access is getting cheaper	Technological developments that ultimately reduce the cost of Internet access	Readers are more comfortable with the cost of cheap internet access
5.	Environment Eco-friendly products	Issues of global warming	The pattern of the community in using environmentally	The community will seek news through environment

			friendly- ly products, influences the development of the digital media industry and minimizes forest damage	tally friendly media
6.	Regulation & Law - Digital Media Regulation	Peraturan Dewan Pers Nomor 1/Peraturan - DP/III/2012 Tahun 2012	Improving the quality of digital media reporting	Digital media is also part of freedom of opinion, expression, and freedom of the press

Source: Primary data processed (2018)

Industrial Environmental Analysis

Table 2. Summary Analysis of Five Forces Porters

No.	Factors	Strong	Moderate	Weak
1.	Competition in Similar Industries		√	
2.	Threat of Entry of New Arrivals	√		
3.	Threat of Substitute Products	√		
4.	The Bargaining Power of Suppliers		√	
5.	The Bargaining Power of the Buyer	√		

Source: Primary data processed (2018)

Based on the results of the competition analysis, the digital media industry using five forces can be concluded that the digital media business is not attractive, this is because the competitive pressure on the digital media business is quite strong.

Key Success Factors

Table 3. Key Success Factors Analysis

On what basis do digital media company consumers determine the choice of products purchased among several brands offered by the seller?	What resources and competitiveness do digital media companies have to win in competition?	Key Success Factor
Providing reliable information/news	Verify the news obtained	Contains credible news
Diverse product content	Make product innovations	There are various products
Speed and ease of accessing news	Technology innovation	Modern, innovative, and always-evolving technology

Ease of Access	Provide distribution channels	Availability of distribution channels
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Source: Primary data processed (2018)

Form of 720 employees, 30 percent of them are journalists scattered throughout Indonesia as well as infrastructure networks in the form of head offices in Jakarta and representative offices scattered throughout Indonesia. The quality and content of the news on Kompas. id and the good relationship between the compass and the resource person and the strength of the Kompas brand. Kompas is increasingly focused on competency culture and competition to develop resources starting from employee mapping, recruitment, training, and orientation.

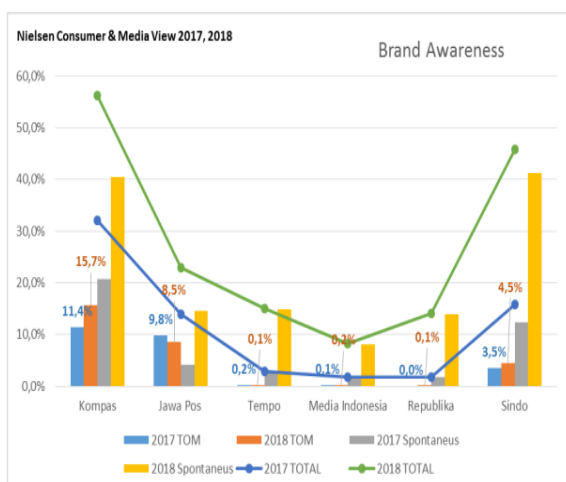


Figure 2. Brand Awareness Media
 Source: Nielsen Media, 2018

Value Chain Analysis

Table 4. Main Activity Identification

No	Value Chain	Activity	Information
1.	Inbound Logistic	The news comes from reporters who are employees of Kompas	R1
		Good collaboration with resource persons to get news and data	C1
2.	Operational	Every news sent to the server will be selected by the editor and then sent to the online section to upload to the website	C2
3.	Outbound Logistic	Product Innovation	C3
		Freemium products emphasize depth, completeness, and accuracy	C4

		Seriousness in developing digital products	C5
		Readers can read Kompas. id through websites and applications	
4.	Marketing & Sales	Promoting Integrated Marketing Communication in Kompas. ID marketing efforts	R2
		Collaborating with institutions (Universities, Airlines, etc.) related to Kompas. ID penetration	C7
		There are four types of price segmentation in digital compass subscription, namely the basic package, 3 rubric packages, premium packages, and premium packages + newspapers	R3
		Proper identification of consumer needs and segments	C8
5.	Service	There are outlet channels that can be accessed by customers to subscribe to Digital Compass products, and purchase books, photos, and others.	C9
		Readers can choose to subscribe to Kompas. id according to the needs of readers	C10
		Collaborate with partner banks to provide payment facilities online	C11
		There is a customer service hotline that can be served every day from 08.00 - 16.00 via telephone, WhatsApp, or e-mail	C12

Source: Primary data processed (2018)

Table 5. Identification of Supporting Activities

No	Value Chain	Activity	Information
1.	Company Infrastructure	Maintain the existing division and add according to needs	C13
2.	Human Resource Management	Form a Marketing Product team that focuses on handling digital products	C14
		Providing training to employees to get quality human resources	C15
3.	Technology Development	Renew new technologies as needed, such as Braze, etc	R4
		The company always follows the development of technology related to digital products.	R5
		Cooperate with companies that provide cloud computing services	C16
4.	Procurement	Maintain good relationships with clients/advertisers, as well as advertising agencies	C17

	Smartphone procurement for Kompas. id journalists	R6
	Making their products in the form of photos, merchandise, and tickets in the procurement of goods at Kompas. id outlets	R7

Source: Primary data processed (2018)

Explanation:
R: Resources, C: Capability

VRIO Analysis

Table 6. VRIO Resource Analysis

No	Resources	V	R	I	O	Information
R1	The news comes from reporters who are employees of Kompas	√	√	√		Sustainable Competitive Advantage
R2	Promoting Integrated Marketing Communication in Kompas. ID marketing efforts	√	√	√		Sustainable Competitive Advantage
R3	There are four types of price segmentation in digital compass subscription, namely the basic package, 3 rubric packages, premium packages, and premium + newspaper packages	√	√	√		Sustainable Competitive Advantage
R4	Renew new technologies as needed, such as Braze, etc.	√	√	√		Sustainable Competitive Advantage
R5	The company always follows the development of technology related to digital products.	√	-	√		Temporary Competitive Advantage
R7	Making their products in the form of photos, merchandise, and tickets in the procurement of goods at Kompas. id outlets	√	-	√		Temporary Competitive Advantage

Source: Primary data processed (2018)

Table 7. VRIO Capability Analysis

No	Capability	V	R	I	O	Information
C1	Good collaboration with resource persons to get news and data	√	√	√		Sustainable Competitive Advantage
C2	Product Innovation	√	√	√		Sustainable Competitive Advantage
C4	Freemium products, content emphasizes	√	√	√		Sustainable Competitive Advantage

	depth, completeness, and accuracy					
C4	Freemium products, content emphasizes depth, completeness, and accuracy	√	√	√		Sustainable Competitive Advantage
C6	Readers can read Kompas. id through websites and applications	√	-	-		Competitive Parity
C7	Collaborating with institutions (Universities, Airlines, etc.) related to Kompas. id penetration	√	√	√		Sustainable Competitive Advantage
C9	There are outlet channels that can be accessed by customers to subscribe to Digital Compass products, and purchase books, photos, and others.	√	√	-		Temporary Competitive Advantage
C10	Readers can choose to subscribe to Kompas. id according to the needs of readers	√	√	-		Temporary Competitive Advantage
C14	Form a Marketing Product team that focuses on handling digital products	√	√	-		Temporary Competitive Advantage

Source: Primary data processed (2018)

Competitive Advantage

Table 7. Competitive Advantage Identification Resource Factor

No	Strength	Value Chain	Value Type
R1	The news comes from reporters who are employees of Kompas	Inward logistics	Uniqueness drivers
R2	Promoting Integrated Marketing Communication in Kompas. id marketing efforts	Marketing	Uniqueness drivers
R3	There are four types of price segmentation in digital compass subscription, namely the basic package, 3 rubric packages, premium packages, and premium packages + newspapers	Marketing	Uniqueness drivers
R4	Renew new technologies as needed, such as Braze, etc.	Technology Development	Uniqueness drivers

Source: Primary data processed (2018)

Table 8. Competitive Advantage Identification Capability Factor

No	Strength	Value Chain	Value Type
C1	Good collaboration with resource persons to get news and data	Inward logistics	<i>Uniqueness drivers</i>
C3	Product Innovation	Logistics out	<i>Uniqueness drivers</i>
C4	Freemium products, content emphasizes depth, completeness, and accuracy	Logistics out	<i>Uniqueness drivers</i>
C5	Collaborating with institutions (Universities, Airlines, etc.) related to Kompas. ID penetration	Marketing	<i>Uniqueness drivers</i>

Source: Primary data processed (2018)

Through the identification carried out above, it can be concluded that Kompas has advantages based on uniqueness. Kompas differentiates to achieve and maintain competitive advantage. Kompas differentiation is carried out in terms of products, by promoting content in terms of depth, completeness, and different accuracy from its competitors. The growth of the digital industry is currently still an opportunity, however, the competitive pressure in the competition in the media industry is also high, due to the high threat of newcomers, the threat of substitute products, and the strength of the buyer's offer. From the results of external and internal analysis, it can be concluded that the competitive strategy that best suits digital media business is differentiation.

Conclusion

Based on the results of the analysis, it can be concluded as follows:

1. The key success factors that must be considered by companies in competing in the digital media industry are as follows: containing credible news, diverse products/content, modern and innovative technology, and availability of distribution channels.
2. The results of the analysis of the internal factors of Kompas digital products show a sustainable competitive advantage derived from internal resources and capabilities.
3. The sustainable competitive advantage of Kompas has a basis of differentiation which is the basis for Kompas to determine

competitive strategies in the digital media market.

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